

TO: Senate Business, Labor, & Economic Affairs Committee

FR: Dick Brown, Sr. Vice President
MHA...An Association of Montana Health Care Providers

RE: SB108 – Revise Workers Compensation Laws
Critical Access Hospital Data

SB 108 was heard in committee on January 17. I testified on behalf of our members and suggested that Montana's rural and vulnerable facilities, critical access hospitals (CAHs), not be subject to a proposed fee schedule, but rather continue to be reimbursed services at usual and customary charges. There are 45 CAHs in Montana, which will be impacted negatively by any change to their current reimbursement rate.

During the course of questions by committee members, MHA was asked to provide data that indicated the volume of workers compensation services delivered at CAHs. Based on the information collected by MHA, we can report that five percent (5%) or less of the workers compensation services charged by hospitals comes from CAHs. In addition, CAHs see about 10% of the workers compensations case reported, but obviously cases requiring specific procedures or a higher level of service are generally referred to the state's larger (non-CAH) hospitals.

MHA utilizes a data program called DataBank to collect financial and utilization information from hospitals. The information is incomplete in that some members do not report to the system and CAHs often report workers compensation in a miscellaneous category since the volume is very small.

In 2004, there were 557 workers compensation cases reported by 17 facilities (6 urban, 11 CAHs). The urban facilities reported 520 cases (93.4% of the total) and total workers compensation charges of \$11,002,364 (96.3% of the total). The CAH facilities reported 37 cases (6.4% of the total) and total workers compensation charges of \$425,539 (3.7% of the total).

In 2005, there were 609 workers compensation cases reported by 18 facilities (7 urban, 11 CAHs). The urban facilities reported 540 cases (88.7% of the total) and total workers compensation charges of \$11,733,481 (95.2% of the total). The CAH facilities reported 69 cases (11.3% of the total) and total workers compensation charges of \$592,904 (4.8% of the total).

For 2006 we have data for the first three quarters of the year. There were 502 workers compensation cases reported by 16 facilities (6 urban, 10 CAHs). The urban facilities reported 457 cases (91% of the total) and total workers compensation charges of \$10,901,893 (96.6% of the total). The CAH facilities reported 45 cases (9% of the total) and total workers compensation charges of \$380,117 (3.4% of the total).

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